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July 31, 2014

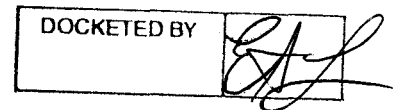
ORIGINAL

Arizona Corporation Commission

DOCKETED

JUL 31 2014

Arizona Corporation Commission
Docket Control
1200 W. Washington
Phoenix, AZ 85007



Re: 2014 Biennial Electric Transmission Assessment for 2014-2023
Docket No. E-00000D-13-0002

Dear Sir/Madam:

Attached are SRP's comments to the first draft of the Eighth Biennial Transmission Assessment Report.

Please feel free to contact me at (602) 236-5028 if you have any questions.

Sincerely,

Jana Brandt

Attachment

cc: Margaret Little, ACC Staff (via email)
Ed Stoneburg, ACC Staff (via email)
Chris Fecke-Stoudt, K.R. Saline & Associates (via email)
Robert R. Taylor, SRP (via email)
Steve Cobb, SRP (via email)

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General Comments

SRP appreciates the opportunity to voluntarily participate in the Commission's BTA process. Following are SRP's initial comments on the first draft report.

Specific Comments

Executive Summary

Page iv – Item 4. The full name of NERC should be “Corporation” rather than “Council”.

General Conclusions

Page v - Item 2 – Report System Load Level for each Project. SRP does not oppose providing this additional information with the understanding that no additional study work will be required to satisfy this additional requirement and that the utilities may provide a range of load level for each load-driven project. SRP would request that additional clarifying language be included in the report memorializing this understanding.

Transmission studies are based on a system snapshot and are performed annually on a seasonal basis. These studies incorporate the topology and forecasted loads of the entire Western Interconnection. The studies include all of the planned projects for the specific timeframe studied. If utilities attempt to determine an exact load where a transmission facility is required, that assumption cannot take into account the timing of planned projects controlled by other entities. These “foreign” project in service dates could have a material impact on the load in which a specific project is required in SRP's Planning Authority Area. The current base cases are accepted by all of the Planning Authorities that they encompass.

Because the studies use the SRP system peak load forecast that is then generally distributed across our entire system, the case runs can not accurately identify the specific load associated with each project and only a range of load can be provided, at best.

Page v – Item 6 – DG and EE Study Impacts. While SRP is not opposed to attempting to isolate any impacts of DG and EE on its transmission projects, SRP suggests that the additional study work suggested in this recommendation will provide little benefit to the ACC as SRP believes isolating the effect of DG and EE programs will have limited impact on the overall scope and timing of SRP's transmission projects. DG and EE are a very small component of a utility's total system load and thus have a negligible impact on the transmission system, even at the 115kV level, especially given that SRP's 115kV system serves only mining load. DG and EE programs tend to have more of an impact on the distribution system which does not fall under the purview of the BTA. In addition, modelling the effects of DG and EE on the transmission system will not provide accurate results as DG and EE would be generally evenly distributed across the system as the actual location of DG and EE cannot be accounted for properly in such studies.

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Page vi – Item 7 – Coal Reduction Assessment. SRP supports this recommendation and agrees that this is a critical issue that must be addressed. Given the EPA's recently proposed Carbon rule, the impact of the study has changed and study improvements may be necessary to fully address the EPA rule. This additional study work will support the utilities' efforts in analyzing the impact of the EPA's Carbon rule.

Page vi - Item 3 – Ten Year Snapshot Study – 115kV. SRP does not support this recommendation. It is our opinion that the additional work necessary to include projects at the 115kV and 138kV levels would result in little to no additional information for Staff to ascertain adequacy of the overall transmission system in Arizona. The 115kV systems and the 138kV system being operated by Arizona utilities are essentially distribution systems to serve customer load. Any improvements or additions to those systems are usually for increased capacity for load service. The systems are integrated into the overall Arizona transmission system, but are not relied upon to deliver large blocks of power from one part of the system to another part of the system as the EHV network does.

The purpose of the Ten Year Snapshot is to study the impact on the adequacy of the EHV system due to the delay or cancellation of large transmission projects. Modelling the delay or removal of 115kV and 138kV projects in the Ten Year Snapshot study would not show a significant impact on the EHV system since these projects aren't "system" projects, but are "load service" projects.

To address Staff's concerns regarding the omission of the Pinal County 115kV system in the planning process, SRP reminds Staff that the issues with the Pinal County system were first addressed with the formation of the CATS-HV (Central Arizona Transmission Study – High Voltage task force) in the mid-2000s and continue to be addressed today through the SWAT-AZ subcommittee. This task force under the SWAT umbrella was formed to study the rampant growth in Maricopa, Pima, and Pinal counties. CATS-HV was given the task of studying the area, determining a "saturated" load level (load at build out), and devising a plan to provide service to the anticipated growth. CATS-HV prepared a report with a recommendation for system additions to accommodate the growth in 2005. Over 100 miles of new 500kV and nearly 50 miles of new 230kV were identified as necessary to serve the saturated load. It was also noted that 115kV equipment upgrades would be necessary to deliver the power and energy to the projected loads.

This recommendation ignored load service areas (LSE territories), and treated the Pinal County load as a single zone. The 2005 report and the system additions identified have become a basis for a number of projects in the Pinal County area, namely the Hassayampa to Pinal West and the Pinal West – Southeast Valley projects. The CATS-HV saturated load report provided a road

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map for LSEs and other parties to develop a transmission system that would serve the LSE's customers and provide for the future development in Pinal County.

While the CATS-HV has dissolved, work continues in a new subcommittee within the SWAT-AZ to study areas of the system that are envisioned for serving the saturated load. Through this effort, Pinal County continues to receive the focus needed and is being monitored and studied collaboratively by the LSEs in the area and interested parties.

Page vii – Item 4. SRP suggests the following redlines to the FERC Order 1000 paragraph to better identify the intent of Order 1000 and the current status:

Federal Energy Regulatory Commission (“FERC”) Order 1000 requires FERC jurisdictional transmission providers and encourages non-jurisdictional transmission providers to work collaboratively with stakeholders on a regional and interregional basis to ~~strengthen the western wholesale market~~ **improve regional transmission planning processes and cost allocation mechanisms** in a cost effective manner. All Arizona FERC jurisdictional transmission providers have made their compliance filings with the FERC to implement Order 1000 **through the WestConnect Regional Transmission Planning process** and are awaiting a FERC order to move forward with implementation.

Recommendations

Page ix – Recommendations 2.a. See SRP comments provided for “Page vi – Item 3 – Ten Year Snapshot Study – 115kV.”

Page ix – Recommendations 2.b. See SRP comments provided for “Page v - Item 2 – Report System Load Level for each Project.”

Page ix – Recommendations 2.c. See SRP comments provided for “Page vi – Item 7 - Coal Reduction Assessment.”

Page ix – Footnote. Change “know” to “known”.

Page x – Recommendations 2.c.i. See SRP comments provided for “Page vi – Item 7 - Coal Reduction Assessment.”

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Page x – Recommendations 2.d. See SRP comments provided for “Page v – Item 6 - DG and EE Study Impacts.”

Section 1.2

Page 2 – Third paragraph, first sentence. SRP suggests that the reference to a “set” of Guiding Principles be further defined here to clarify what Guiding Principles were used by Staff in the Eighth BTA to aid in the determination of the adequacy and reliability of the system.

Section 1.3.3

Page 6 – Fifth line, fourth sentence. Change “two week” to “three week”.

Section 2.1

Page 8 – Second paragraph, last two sentences. SRP suggests the sentences be combined to read, “As typical in transmission planning, a majority of the Arizona Plan projects fall into the first five years of the planning horizon as years six thru ten are less scrutinized or definitive as the first five years of the plan.”

Section 2.2

Page 10 – Table 7. The information is reversed. The current project name is “Price Road Corridor” and was formerly known as “East Valley Industrial Expansion”.

Page 11 – Table 8. In the table, Hassayampa – Pinal West 500kV Line #2 and Northeast Arizona – Phoenix 500kV projects are shown as “Removed”. These projects should be shown as “Deferred indefinitely” as the current terminology implies that the projects were cancelled.

Section 2.4

Page 13 – First full paragraph. See SRP comments provided for “Page v - Item 2 – Report System Load Level for each Project.”

Section 3.3.1.3

Page 21 – First paragraph, last sentence. Change “anticipate” to “anticipated”.

Section 3.3.1.4

Page 21 – First sentence. Change “operated” to “operate”.

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Section 3.3.3

Pages 25-26 – SRP strongly encourages the ACC to revise and remove details of the critical infrastructure studied in the extreme contingency studies performed by APS and TEP as this critical infrastructure is to be protected under NERC Critical Infrastructure Protocols (CIPs) and the studies were filed under a NDA with the ACC.

Section 3.4

Page 28 – First complete sentence. Change “response” to “responded”.

Section 5.2.1

Page 47 – First sentence, third line. Change “be accepted as a satisfying agent in regards to the planning process requirements” to “be accepted as satisfying the requirements”.

Page 48 - Second complete paragraph. Modify the first sentence as shown in redline:

In FERC’s March 22, 2013 Order on Compliance, **FERC found that the proposed WestConnect was suggested as a reasonable candidate to be defined as a transmission** planning region **met the geographic scope requirements of per-Order No. 1000.**”

Page 48 - Third complete paragraph. Modify the second and final sentences to read as shown in redline:

The PMC will be comprised of **representatives from** WestConnect members, which ~~can be either include~~ **transmission owners, transmission customers, independent transmission developers, state regulatory commissions and key interest groups or other stakeholders including state regulatory agencies.** All entities who become members of WestConnect will have voting rights as defined in the transmission providers’ OATTs **and in the planning participation agreement.**

Page 48 - Fourth complete paragraph. Modify the first sentence to read:

Under the Order No. 1000 planning process the existing WestConnect planning efforts are expanded to include regional reliability assessments, production cost modeling to identify economic needs, analysis of proposed regional projects that meet reliability, economic and/or public policy needs and application of binding cost allocation methodologies for eligible projects.

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Page 49 – First paragraph. Revise the paragraph to read:

Through the compliance filings, the FERC jurisdictional WestConnect participants are seeking an effective date for the WestConnect Order 1000 planning process to start on January 1 of the year following FERC's conditional or full acceptance of the compliance filings. Depending on FERC's decision on the effective date, the effective date could commence either on January 1, 2015 for an abbreviated first year planning process, or beginning on January 1, 2016 for a full biennial WestConnect transmission planning process. The biennial planning process will need to begin on an even-numbered year to align with its interregional neighboring planning regions and WECC's planning processes.

Section 5.2.2

Page 49 – Fourth sentence. Modify the sentence to read "Decisions on the interregional compliance filings are pending at FERC."

Section 5.2.3

Page 49 – Second and final sentences. Modify the second and third sentences to read:

FERC Order No. 1000 requires regional and interregional agencies to work collaboratively to improve regional transmission planning processes and cost allocation mechanisms. Where the ACC BTA focuses on intrastate impacts of planned transmission projects, Order No. 1000 will also help ensure the state's transmission owners consider regional transmission projects in assessing the most efficient and cost effective means to meet transmission needs of their customers.

Page 57 – Table 15. As initially reported in SRP's 2013 Ten Year Plan, SRP is no longer participating in the Delaney-Palo Verde and Pinal Central-Tortolita projects. The table should be changed to remove SRP's participation in these two projects.

Section 5.5.2

Page 58 – First complete paragraph. SRP requests that the complete paragraph pertaining to SRP be replaced with the following language that better characterizes SRP's situation and is consistent with the information provided in its follow-up letter to Mr. Stoneburg, dated June 2, 2014, and docketed with the Commission.

SRP presently does not foresee any transmission related issues and has not delayed any projects as a result of increased EE/DG. While most of SRP's transmission projects identified within its plan are driven by specific large customer requests, SRP did perform a thermal analysis on the remaining two

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projects and found that DG and EE had no impact on the need date for those projects.

Page 58 – Last paragraph. SRP does not agree with Staff's conclusion that the impact of DG and EE on specific transmission needs has not been specifically identified and that such information would benefit the ACC. As noted earlier in SRP's comments, SRP does not believe that DG and EE have a significant impact on transmission needs. Therefore, additional study work will provide no value to the ACC.

Section 5.6.2

Page 60 – Last paragraph, first sentence. Change "will be review" to "will be to review".

Section 5.7.1

Page 62 – Second complete paragraph. SRP suggests the paragraph be replaced with the following sentence that succinctly summarizes SRP's efforts "Relative to the September 8, 2011 disturbance, SRP has implemented, or is in the process of implementing, all recommendations resulting from the FERC/NERC investigation of the event."

Section 6.1

Page 66 – Item 2. See SRP comments provided for "Page v - Item 2 – Report System Load Level for each Project."

Page 67 – Item 6. See SRP comments provided for "Page v – Item 6 – DG and EE Study Impacts."

Page 67 – Item 7. See SRP comments provided for "Page vi – Item 7 – Coal Reduction Assessment."

Section 6.2

Page 68 – Item 3. See SRP comments provided for "Page vi - Item 3 – Ten Year Snapshot Study – 115kV."

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Section 7

Page 73 – 1.a. See SRP's specific comments on revised Guiding Principles provided at Appendix A.

Page 73 – 1.f. In the first sentence, there should be a space between "UNS Electric" and "continue".

Page 74 – 2.a. See SRP comments provided for "Page vi - Item 3 - Ten Year Snapshot Study – 115kV."

Page 74 – 2.b. See SRP comments provided for "Page v - Item 2 - Report System Load Level for each Project."

Page 74 – 2.c.i. See SRP comments provided for "Page vi – Item 7 - Coal Reduction Assessment."

Page 75 – 2.d. See SRP comments provided for "Page v – Item 6 - DG and EE Study Impacts."

Exhibits

Exhibit 6 - Arizona Planned Project Lookup Table

Page 8 – for Desert Basin – Pinal Central 230kV, the exhibit reference should be changed to 5, not 2.

Page 8 – for SRP's Pinal Central – Randolph 230kV line (Project ID A50) and Pinal West – Pinal Central – Abel – Browning 500kV line (Project ID A1), Decision #69291 should be changed to #68291. Also the exhibit reference for the Pinal Central – Randolph line should be changed to 5, not 3.

Page 9 – for SRP's Price Road Corridor – Kyrene – Knox (Project ID A9), the exhibit reference should be changed to 2, 5.

Page 10 - for SRP's Price Road Corridor – Schrader – RS28 (Project ID A26) and Price Road Corridor – RS28 Substation (Project ID A27), the exhibit references should be changed to 2, 5.

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Page 10 – for SRP's Rogers – Santan 230kV line (Project ID A28), the exhibit reference should be changed to 5 only.

Page 11 – for SRP's Eastern Mining Expansion (Project ID A47), the exhibit reference should be changed to 5 from 4.

Page 11 – for SRP's Abel – Pfister – Ball 230kV (Project ID B5), the exhibit reference should be changed to 5 from 2.

Page 13 - for SRP's Price Road Corridor – Knox – RS27 - RS28 (Project ID C12), the exhibit references should be changed to 2, 5.

Exhibit 7 – Arizona Extreme Contingency Map and Table

Page 16 – Remove Exhibit 7 in its entirety as this information is protected under a NDA and is considered to be critical infrastructure that is to be protected under NERC Critical Infrastructure Protocols (CIPs).

Exhibit 10 – Plan Changes Between Seventh and Eighth BTA

Page 21 – for the second project listed, 3rd Schrader 230/69kV Transformer, the in-service date should be changed from 2012 to 2013.

Page 21 - for Pinal Central – Tortolita 500 kV Line, with an in-service date of 2016, the status should also reflect that SRP has withdrawn from the project.

Page 22 – Ellsworth Technology Corridor should be added to the table with an in-service date of 2019, voltage class of 230kV, and status shown as new project.

Page 23 – Price Road Corridor's in-service date should be shown as 2015 instead of TBD and the status shown as "Advanced 2016 to 2015.

Page 23 – The list of projects removed should also include the following two projects: Pinal Central – Abel – RS20 500kV and Palo Verde – Saguaro 500kV.

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Exhibit 12 – Listing of Projects Sorted by In-Service Date and Voltage

Pages 26-32 – The corrections noted for Exhibit 6 should similarly be reflected in this Exhibit.

Exhibit 13 - Listing of Projects Sorted by Voltage Class and In-Service Date

Pages 33-39 – The corrections noted for Exhibit 6 should similarly be reflected in this Exhibit.

Exhibit 15 – Salt River Project Summary by Voltage and In-Service Date

Page 42 - The corrections noted by SRP for Exhibit 6 should similarly be reflected in this Exhibit. We have attempted to summarize those requested changes as follows:

Project ID	Corrected Exhibit Reference	Other Corrections
A10	5	
A2	5	
A50	5	Decision #69291 should be #68291
A9	2, 5	
A26	2, 5	
A27	2, 5	
A28	5	
A47	5	
B1	5	
B6	5	
C12	2, 5	
A1	1, 5	Decision #69291 should be #68291
A39	1, 5	

Appendices

Appendix A – Guiding Principles for Determination of System Adequacy and Reliability

Page Appendix A-6, T.1. - In T.1 change “Western Systems Coordinating Council” to “Western Electricity Coordinating Council”. In addition, to ensure that entities that aren’t registered as reliability entities are subject to the same standards as those that are, SRP suggests a sentence be added to the end of T.1 that states “Such Standards, Criteria, and Regional Business Practices will apply to all entities, regardless of their FERC-jurisdictional status.”

Page Appendix A-6., T.3. - T.3 should refer to §40-360.02.A rather than B. Paragraph A states “Every person contemplating construction of any transmission line within the state during any ten year period shall file a ten year plan with the commission on or before January 31 of each

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year.” SRP suggests the first sentence be changed to read “Per §40-360.02.A a transmission line applicant must file a plan with the ACC on or before January 31 of each year in which the transmission line is contemplated and per §40-360.02.C7 that filing must include the results of power flow and stability studies.”

Page Appendix A-7, T.4. - SRP suggests that the phrase “to resolve transmission constraints” in T.4 should be expanded upon to more specifically identify what and whose constraints should be resolved.

Page Appendix A-7, T.5. – At the end of the sentence, SRP suggests the phrase “and WECC regional criteria” be added.

Page Appendix A-7, T.6. - SRP believes T.6, the CEC requirement that a standard cathodic study be performed when a project is located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, should not be a standard CEC requirement in the Guiding Principles as some circumstances do not warrant such a study and the Siting Committee should be given the latitude to determine the appropriate language for the particular situation. Should the ACC not agree with SRP's recommendation to remove T.6. in its entirety, SRP requests the following redlines be incorporated in any final principle.

When project facilities are located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline a standard ~~cathodic~~ **electrical induction** study condition shall be included in the CEC requiring the evaluation of the risk to any existing natural gas or hazardous liquid pipelines. **The study shall recommend appropriate remediation to address any material adverse impact that is found.**

Page Appendix A-8, G.2. – At the end of the sentence, SRP suggests the phrase “and WECC regional criteria” be added. Also, in the third line, “Organization” should be changed to “Corporation” in identifying NERC.